



DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

FEDERAL RESERVE SYSTEM

FEDERAL DEPOSIT INSURANCE CORPORATION

Agency Information Collection Activities: Submission for OMB Review; Joint Comment Request

AGENCIES: Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); and Federal Deposit Insurance Corporation (FDIC).

ACTION: Notice of information collection to be submitted to OMB for review and approval under the Paperwork Reduction Act of 1995.

SUMMARY: In accordance with the requirements of the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. chapter 35), the OCC, the Board, and the FDIC (the agencies) may not conduct or sponsor, and the respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number.

On January 29, 2013, the agencies, under the auspices of the Federal Financial Institutions Examination Council (FFIEC), published a notice in the Federal Register (78 FR 6176) requesting public comment on a proposal to extend, with revision, the currently approved information collections contained in the Country Exposure Report (FFIEC 009) and the Country Exposure Information Report (FFIEC 009a). The comment period for this notice expired on April 1, 2013. The agencies received comments from seven entities: three banking organizations, a savings and loan holding company (SLHC), and three banking associations. After considering the comment letters received, the agencies plan to modify certain aspects of the proposed revisions. In addition, the agencies plan to delay the implementation of the

proposed changes until September 30, 2013, for current respondents and until March 31, 2014, for SLHC respondents. The agencies are now submitting requests to OMB for approval of the extension, with revision, of the FFIEC 009 and FFIEC 009a.

DATES: Comments must be submitted on or before [INSERT DATE 30 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Interested parties are invited to submit written comments to any or all of the agencies. All comments, which should refer to the OMB control number, will be shared among the agencies.

OCC: Because paper mail in the Washington, DC, area and at the OCC is subject to delay, commenters are encouraged to submit comments by e-mail if possible. Comments may be sent to: Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, Attention: 1557- 0100, 400 7th Street, SW., Suite 3E-218, Mail Stop 9W-11, Washington, DC 20219. In addition, comments may be sent by fax to (571) 465-4326 or by electronic mail to regs.comments@occ.treas.gov. You may personally inspect and photocopy comments at the OCC, 400 7th Street, SW., Washington, DC 20219. For security reasons, the OCC requires that visitors make an appointment to inspect comments. You may do so by calling (202) 649-6700. Upon arrival, visitors will be required to present valid government-issued photo identification and to submit to security screening in order to inspect and photocopy comments.

All comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not enclose any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

Board: You may submit comments, identified by FFIEC 009 or FFIEC 009a, by any of the following methods:

Agency Web Site: <http://www.federalreserve.gov>. Follow the instructions for submitting comments on the <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.

Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.

E-mail: regs.comments@federalreserve.gov. Include the OMB control number in the subject line of the message.

FAX: 202-452-3819 or 202-452-3102.

Mail: Robert deV. Frierson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW., Washington, DC 20551.

All public comments are available from the Board's Web site at <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm> as submitted, except as necessary for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper in Room MP-500 of the Board's Martin Building (20th and C Streets, NW.) between 9 a.m. and 5 p.m. on weekdays.

FDIC: You may submit written comments, which should refer to “Country Exposure Reports, 3064-0017,” by any of the following methods:

Agency Web Site: <http://www.fdic.gov/regulations/laws/federal/propose.html>. Follow the instructions for submitting comments on the FDIC Web site.

Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.

E-mail: Comments@FDIC.gov. Include “Country Exposure Reports, 3064-0017” in the subject line of the message.

Mail: Robert E. Feldman, Executive Secretary, Attention: Comments, FDIC, 550 17th Street, NW., Washington, DC 20429.

Hand Delivery/Courier: Guard station at the rear of the 550 17th Street Building (located on F Street) on business days between 7 a.m. and 5 p.m.

Public Inspection: All comments received will be posted without change to <http://www.fdic.gov/regulations/laws/federal/propose/html> including any personal information provided. Comments may be inspected at the FDIC Public Information Center, Room E-1002, 3501 Fairfax Drive, Arlington, VA 22226, between 9 a.m. and 5 p.m. on business days.

Additionally, commenters may send a copy of their comments to the OMB desk officer for the agencies by mail to the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW., Washington, DC 20503, by email to oir_submission@omb.eop.gov, or by fax to 202-395-6974.

FOR FURTHER INFORMATION CONTACT: Additional information or a copy of the collections may be requested from:

OCC: Mary H. Gottlieb or Johnny Vilela, OCC Clearance Officers, 202-649-5490, Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, Washington, DC 20219.

Board: Cynthia Ayouch, Federal Reserve Board Clearance Officer, 202-452-3829, Division of Research and Statistics, Board of Governors of the Federal Reserve System, 20th and C Streets, NW., Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may call 202-263-4869.

FDIC: Gary Kuiper, Counsel, (202) 898-3877, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.

SUPPLEMENTARY INFORMATION: The agencies are proposing to revise and extend for three years the FFIEC 009 and FFIEC 009a, which are currently approved collections of information for each agency. The burden estimates presented below are for the FFIEC 009 and FFIEC 009a as they are proposed to be revised effective September 30, 2013, for current respondents and March 31, 2014, for SLHC respondents.

Country Exposure Report (FFIEC 009) and Country Exposure Information Report (FFIEC 009a) -- OMB Control Numbers: OCC, 1557-0100; Board, 7100-0035; FDIC, 3064-0017 -- Extension

Proposal to extend for three years, with revision, the following currently approved collections of information:

Report Titles: Country Exposure Report and Country Exposure Information Report.

Form Numbers: FFIEC 009 and FFIEC 009a.

Frequency of Response: Quarterly.

Affected Public: Business or other for profit.

OCC:

OMB Number: 1557-0100.

Estimated Number of Respondents: 16 (FFIEC 009), 9 (FFIEC 009a).

Estimated Average Time per Response: 131 burden hours (FFIEC 009), 6 burden hours (FFIEC 009a).

Estimated Total Annual Burden: 8,384 burden hours (FFIEC 009), 216 burden hours (FFIEC 009a).

Board:

OMB Number: 7100-0035.

Estimated Number of Respondents: 42 (FFIEC 009), 32 (FFIEC 009a).

Estimated Average Time per Response: 131 burden hours (FFIEC 009), 6.0 burden hours (FFIEC 009a).

Estimated Total Annual Burden: 22,008 burden hours (FFIEC 009), 768 burden hours (FFIEC 009a).

FDIC:

OMB Number: 3064-0017.

Estimated Number of Respondents: 17 (FFIEC 009), 9 (FFIEC 009a).

Estimated Average Time per Response: 131 burden hours (FFIEC 009), 6 burden hours (FFIEC 009a).

Estimated Total Annual Burden: 8,908 burden hours (FFIEC 009), 216 burden hours (FFIEC 009a).

General Description of Reports

The Country Exposure Report (FFIEC 009) is filed quarterly with the agencies and provides information on international claims of U.S. banks, savings associations, bank holding companies, and savings and loan holding companies that is used for supervisory and analytical purposes. The information is used to monitor the foreign country exposures of reporting institutions, determine the degree of risk in their portfolios, and assess the potential risk of loss. The Country Exposure Information Report (FFIEC 009a) is a supplement to the FFIEC 009 and provides publicly available information on material foreign country exposures (all exposures to a country in excess of 1 percent of total assets or 20 percent of capital, whichever is less) of U.S. banks, savings associations, and holding companies that file the FFIEC 009 report. As part of the Country Exposure Information Report, reporting institutions also must furnish a list of countries in which they have lending exposures above 0.75 percent of total assets or 15 percent of total capital, whichever is less.

Current Actions

On January 29, 2013, the agencies published an initial PRA notice in the Federal Register (78 FR 6718) requesting public comment for 60 days on the revision, with extension, of the FFIEC 009 and FFIEC 009a reports. The comment period for this notice expired on April 1, 2013. The agencies received comment letters addressing the proposed changes to the FFIEC 009 and FFIEC 009a from seven entities: three banking organizations, an SLHC, and three banking associations. The changes were proposed to be implemented for the June 30, 2013, report date and were designed to improve the utility of the data for policy makers, bank supervisors, and market participants.

In broad terms, the proposed revisions to the FFIEC 009 report would increase the number of counterparty categories, add additional information on the type of claim being reported, provide details on a limited number of risk mitigants to help provide perspective to currently reported gross exposure numbers, add more detailed reporting of credit derivatives, add the United States as a country row to facilitate the analysis of domestic and foreign exposures and comply with enhancements to International Banking Statistics proposed by the Bank for International Settlements, and expand the entities that must report to include SLHCs.

The FFIEC 009 report, as proposed to be revised, would serve an important purpose by ensuring consistency of reporting across institutions for a number of important components of foreign country exposure. These data would allow supervisors to compare the amount of an institution's exposures to those of its peers for a country or set of countries, to analyze the aggregate exposure of U.S. banks to foreign creditors, and to

monitor trends in exposures. The revised FFIEC 009a data would allow market participants to analyze more detailed aggregate exposure data. The FFIEC 009 report is not a substitute for other more detailed supervisory data or internal management information.

As a form of banker outreach, the agencies conducted a conference call on February 20, 2013, with various interested outside parties (approximately 230 bank representatives and accountants), primarily those that would be subject to the proposed revisions to the country exposure reporting requirements. The purpose of the call was to provide clarification on certain elements of the initial PRA notice and respond to questions from interested parties on procedures and technical issues arising from the proposed reporting changes. The agencies began by providing a summary of the initial PRA notice, which included identifying changes from the current FFIEC 009 reporting requirements. Following this background, the agencies addressed questions received from interested parties on the call. The questions received mostly concerned the technicalities of completing line items on the proposed FFIEC 009 and 009a reporting forms and definitions for terms included in the instructions for the forms.

Summary of Comments

All seven commenters expressed concern over the proposed June 30, 2013, effective date for the implementation of the revised reports and requested a postponement of the effective date to allow more time to implement necessary system changes, update procedures, and train staff. In addition, two commenters indicated that because SLHCs will be required to file for the first time, the proposed effective date would not provide sufficient time to design and implement the systems to capture the needed data. In response to these concerns, the agencies would postpone

the effective date for the revisions to the September 30, 2013, report date. In addition, for SLHCs that would be required to begin submitting the Country Exposure Reports as a result of the proposed expansion in scope of entities that must file these reports, the initial report date would be March 31, 2014.

Two of the banking organizations commented that the inclusion of the United States country row would create a significant reporting burden and that guidance for how to properly reconcile the FFIEC 009 to the Consolidated Financial Statements for Bank Holding Companies (FR Y-9C; OMB No. 7100-0128) should be provided. In addition, the banking associations requested the agencies conduct further industry outreach because they asserted that the addition of the United States country row as a reconciliation tool would not enhance the analysis of cross-border exposures and that existing processes used by their member institutions are sufficient to ensure consistent reporting across regulatory reports. Although the agencies recognize the additional burden of reporting exposures for the United States, this information will enhance the agencies' ability to conduct effective analysis of foreign and domestic exposures. In addition, the inclusion of the United States will allow the agencies to comply with enhancements to International Banking Statistics proposed by the Bank for International Settlements. The reconciliation of the FFIEC 009 to the FR Y-9C report (or, if appropriate, to the Consolidated Reports of Condition and Income; OMB No. 1557-0081 for the OCC, OMB No. 7100-0036 for the Board, and OMB No. 3064-0052 for the FDIC) is not required; however, it is recommended as a best practice. Because the agencies' proposed inclusion of a country row for the United States was not primarily for reconciliation purposes, the agencies are not planning to publish guidance regarding reconciliation between these reports. After considering comments received

and feedback from outreach conducted prior to the publication of the proposed revisions, the agencies plan to proceed with the addition of the United States as a country row.

The banking associations also recommended that the year-end due date for the Country Exposure Reports be delayed five days to provide an opportunity to reconcile data with the FR Y-9C report (for which the year-end due date is currently five days later than the due date for the report in the other three calendar quarters). After consideration of this comment, the agencies agree with this recommendation and plan to delay the year-end due date for the Country Exposure Reports by five days. This would make the difference between the year-end due dates of the Country Exposure Reports and the FR Y-9C report consistent with the difference between the due dates for these reports in the other quarters and would allow institutions the opportunity for further internal review between these reports.

A banking organization and the banking associations requested that clarification of definitions and instructions be provided for certain terms, such as the definitions of the “household” sector, “country of residence,” “country of legal residence,” and the “country of incorporation.” In addition, the banking associations provided thirteen questions requesting reporting clarifications. The agencies have clarified the instructions to provide guidance on the reporting and definitional issues noted, and have posted a “Fact Sheet” on the FFIEC website outlining the reporting clarifications for the questions raised and referencing the updated instructions, as appropriate.

The banking associations also suggested that the list of countries included on the FFIEC 009 report should be consistent with the Treasury International Capital (“TIC”) reports¹

¹ TIC Form BC, OMB No. 1505-0017; TIC Form BL-1, OMB No. 1505-0019; TIC Form BL-2, OMB No. 1505-0018; TIC Form BQ-1, OMB No. 1505-0016; TIC Form BQ-2, OMB No. 1505-0020; TIC Form BQ-3, OMB No. 1505-0189; TIC Form CQ-1 and CQ-2, OMB No. 1505-0024; TIC Form D, OMB No. 1505-0199; TIC Form S, OMB No. 1505-0001.

and the Quarterly Reports of Asset and Liabilities of Large Foreign Offices of U.S. Banks (FR 2502Q; OMB No. 7100-0079). The banking associations specifically noted that the list of countries has not been revised since 2006 resulting in inconsistencies and the inclusion of obsolete countries. In addition, the banking associations noted that the proposed instructions indicated that the European Central Bank should be reported as “Other Europe” on the FFIEC 009, although a separate line for the European Central Bank currently exists on the form. The agencies agree with the suggestion and plan to revise the proposed FFIEC 009 form and instructions to include an up-to-date country listing consistent with the TIC reports, with minor exceptions (the United States and Total Foreign Countries are reporting rows on the FFIEC 009).

One banking organization commented that the data needed to report credit default swap (CDS) contracts on a basket, index, or portfolio of securities by component countries is not readily available and would require a significant effort to capture. The organization requested the ability to continue to report by geographic region. Although the agencies understand the effort required to report CDS contracts on a basket, index, or portfolio of securities by component country, they believe reporting CDS contracts in this way reflects industry practice related to country risk management and will enhance analysis of the data by the agencies and the public. The agencies plan to proceed with the revision as proposed.

Finally, a banking organization stated that the elimination of “Net Foreign Office Claims on Local Residents” on the FFIEC 009a will result in it no longer reporting the voluntary local-office claims and liabilities on derivative contracts items on the FFIEC 009 report. After consideration of this comment and the voluntary nature of these data items, the agencies plan to eliminate Columns 6 and 7 of proposed Schedule D for the reporting of such local office data.

Legal Basis for the Information Collection

These information collections are mandatory under the following statutes: 12 U.S.C. 161 and 1817 (national banks), 12 U.S.C. 1464 (federal savings associations), 12 U.S.C. 248(a), 1844(c), and 3906 (state member banks and bank holding companies); 12 U.S.C. 1467a(b)(2) and 5412 (savings and loan holding companies); and 12 U.S.C. 1817 and 1820 (insured state nonmember commercial and savings banks and insured state savings associations). The FFIEC 009 information collection is given confidential treatment (5 U.S.C. 552(b)(4) and (b)(8)). The FFIEC 009a information collection is not given confidential treatment.

Request for Comment

The agencies invite comment on the following topics related to this collection of information:

(a) Whether the information collections are necessary for the proper performance of the agencies' functions, including whether the information has practical utility;

(b) The accuracy of the agencies' estimates of the burden of the information collections, including the validity of the methodology and assumptions used;

(c) Ways to enhance the quality, utility, and clarity of the information to be collected;

(d) Ways to minimize the burden of information collections on respondents, including through the use of automated collection techniques or other forms of information technology; and

(e) Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

All comments will become a matter of public record.

Dated: June 7, 2013

Michele Meyer,
Assistant Director, Legislative and Regulatory Activities Division,
Office of the Comptroller of the Currency.

Board of Governors of the Federal Reserve System, June 13, 2013.

Robert deV. Frierson,
Secretary of the Board.

Dated at Washington, DC, this 7th_____ day of ____June_____, 2013.

Federal Deposit Insurance Corporation.

Robert E. Feldman,
Executive Secretary.

BILLING CODES: 6714-01-P; 4810-33-P; 6210-01-P

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